

FEBRUARY/MARCH
2003

Insight

For
benefits
administrators

2002 MoneyPlu\$ claims reminder

Claims for expenses incurred through December 31, 2002, must be filed with Stanley, Hunt, DuPree & Rhine, Inc., by March 31, 2003. Mail 2002 claims to: MoneyPlu\$, P.O. Box 16000, Greenville, SC 29606-0001.

More on MoneyPlu\$

It is normal to receive calls and questions whenever a new program is implemented or a new administrator steps in to oversee an existing program. The MoneyPlu\$ flexible spending account program is no exception. The staff at the Employee Insurance Program (EIP) and Fringe Benefits Management Company (FBMC) have been working together closely to answer those questions and fine tune administration of the program.

Following are some reminders regarding how the flexible spending account operates. This has not changed and is required by sections 105, 125 and 129 of the Internal Revenue Code.

MoneyPlu\$ enrollment

To enroll—To enroll in the Pretax Premium Feature of MoneyPlu\$ that allows employees to pay their health, dental and life insurance premiums with pretax dollars, employees simply complete a Notice of Election (NOE) form, checking “Yes” for the MoneyPlu\$ block in the upper right corner of the NOE. New employees may make this decision within 31 days of their hire date; existing employees may enroll either during an enrollment period or within 31 days of a special eligibility situation. Employees who fail to check “Yes” or “No” on the NOE will be enrolled in the Pretax Premium Feature automatically if they pay health, dental or Optional Life premiums.

To refuse—Employees who wish to refuse the Pretax Premium Feature of MoneyPlu\$ may check “No” on the NOE. It is no longer necessary to complete a separate MoneyPlu\$ Refusal to Participate Statement. This form is now optional to you as the benefits administrator.

Spending accounts—To enroll in, or make changes to, the MoneyPlu\$ Medical Spending Account or Dependent Care Spending Account employees complete a

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Notice to be sent to all enrollees



In early April, the Employee Insurance Program (EIP) will be mailing a *Notice of Privacy Practices* directly to all enrollees covered under the state insurance program. This notice is being sent in compliance with the **Health Insurance Portability and Accountability Act (HIPAA)** of 1996.

HIPAA ensures security and privacy of health information by setting standards for access and distribution of that information. The notice, in brochure form, outlines the various situations in which EIP uses and discloses health information. It also outlines the subscriber's rights with regard to the information and disclosure.

The brochure is currently being printed; however, the information is available to you now. A copy is avail-

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South Carolina
Budget and Control Board
Employee Insurance Program



P.O. Box 11661
Columbia, South Carolina 29211
803-734-0678 • 1-888-260-9430
www.eip.state.sc.us

MoneyPlu\$ *Continued from page 1*

MoneyPlu\$ Flexible Spending Account Enrollment Form. Employees may enroll or make changes only during an enrollment period or within 31 days of a special eligibility situation. To be eligible to participate in the Medical Spending account, employees must also have one year of continuous service with a state-covered entity by January 1, following the enrollment period. Employees do not have to participate in the Premium Pretax Feature to participate in the spending accounts.

General reminders

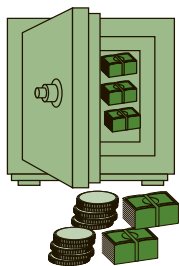
Employees must be covered at the time of the expense. The expense must have been incurred during their period of coverage under the MoneyPlu\$ Medical Spending Account or Dependent Care Account. Services are not reimbursable if the employee was not enrolled and contributing to an account at the time the expense was incurred, either through payroll deduction for an active employee or by direct payment from a COBRA subscriber for the Medical Spending Account.

The expense must be incurred prior to reimbursement. Employees must provide a copy of the written statement, bill or receipt indicating that the expense has been incurred, the date of the service and the amount of the expense. The copies must accompany the reimbursement request form; employees should retain the original receipt for their records. If applicable, a copy of the insurance plan's Explanation of Benefits (EOB) may be submitted in addition to, or in place of, a receipt.

Medical Spending Accounts—Participants may not be reimbursed twice for the same procedure. Employees must include a copy of the receipt and/or a copy of the EOB, if applicable, showing the amount, if any, covered by the health or dental plan. Any amount eligible under MoneyPlu\$ is not reimbursable if it is already covered by any health or dental insurance.

Dependent Care Accounts—Sufficient funds must be available. Participants with a Dependent Care Account will not receive reimbursements on claims they submit, unless there are sufficient funds in the account to cover the claim. Funds are posted to participants' accounts upon processing of MoneyPlu\$ payrolls (see page 5). Claims for which there are insufficient funds will be held and processed as the funds become available; the employee would not need to refile. For example, a claim is submitted at the first of the month for \$300, and there are no funds in the account to cover the claim. The employee has \$150 per payroll deducted on the 1st and 16th of each month. As the payrolls are processed at FBMC, a reimbursement check would be issued for \$150 following the processing of the payroll from the 1st, and another \$150 issued following the processing of the payroll from the 16th.

MoneyPlu\$ MoneyPlu\$ envelopes no longer necessary when filing claims



**A perfect combination . . .
benefits you can bank on!**

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State Health Plan physician network termination

South Hampton Family Practice, P.A., of Columbia (Drs. Gamble, Hester, Hester and McCord), has given notice that it will terminate participation in the State Health Plan Physician Network contract effective July 1, 2003. The practice plans to notify its patients regarding this decision in the near future. As is true of non-participating practices, the State Health Plan will continue to pay for covered services provided by this group, but payment will be limited to the Network amount and will be made to the patient.

Keep us current

Changes in personnel

As a reminder, please complete and send a Data Form to the Employee Insurance Program (EIP) whenever there is a change in personnel listed as a contact for your entity. Such personnel typically include the benefits administrator, personnel director, payroll administrator, superintendent, facilitator, director, financial director, etc. It is particularly important to use this form whenever there is a change of benefits administrator or financial officer, as they are the main points of contact with EIP.

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Keep us current

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Changes in information

You should also call or send a Data Form to EIP for other changes in contact information, such as changes in e-mail addresses, mailing addresses or telephone numbers.

The Data Form is available on the EIP Web site at www.eip.state.sc.us/publications/forms/index.html or available through EIP Supply (Brad Smith) at 803-734-0607 (toll-free at 1-888-260-9430).



Get more with mail order

Subscribers may want to take a closer look at ordering prescription drugs by mail. The State Health Plan (through Medco Health Solutions, Inc.), CIGNA HealthCare, Companion HealthCare and MUSC Options all offer prescription drugs by mail order. Considering the cost for the quantity (up to a 90-day supply may be ordered at one time), taking advantage of this service may save you money.

In general, the mail-order programs offered by these plans work as follows. The physician completes a mail-order prescription form and either mails or faxes it to the plan's mail-order pharmacy. The order is processed and sent to the subscriber's home, typically within 10-14 business days. Once the initial prescription has been entered and filled, the subscriber may later order refills online or over the phone, using a toll-free number.

Mail-order pharmacy services are best suited for those prescriptions that are ongoing or for chronic conditions. Subscribers should also keep in mind that generic medications carry a lower copayment, and some mail-order pharmacies will fill a prescription with a generic drug automatically unless otherwise specified by the physician. Ordering a brand name drug when a generic is available will carry a higher copayment.

Subscribers may visit the Web sites or call the toll-free numbers below for additional information, to compare costs and to obtain mail-order forms. They will be asked to provide their health insurance identification number (Social Security number) and to register online for the service.

Name of plan	Name of mail-order pharmacy	Web site	Phone number
State Health Plan	MedcoHealth	www.medcohealth.com	1-800-711-3450
CIGNA	CIGNA Tel-Drug	www.cigna.com	1-800-244-6224
Companion	AdvanceRx	www.companionhealthcare.com	1-800-868-2528
MUSC Options	MedcoHealth	www.medcohealth.com	1-800-711-3450

Budget update

In its version of next year's State budget, the House of Representatives included no additional funding for employer contributions for the State Health Plan for Plan Year 2004. If this version holds through the completion of the budget process, employer contributions will remain at their present level through 2004. Nonetheless, the Employee Insurance Program continues to advise groups to budget conservatively for an approximate 20 percent employer share increase for 2004, as indicated in the January issue of *Insight*.

It is estimated that an additional \$65 per subscriber per month in program income and/or cost savings will be necessary, effective January 2004, to allow the Plan to pay claims through that year. In the absence of an increase in the employer contributions, this impact will be borne by Plan participants, in some combination of increased enrollee contributions and/or benefit changes.

We will provide more information on this subject as it becomes available.



The information contained in Insight that affects your employees should be communicated to them in a timely manner.



New study shows diabetes management workshops give participants a healthy return on their investment

Will the free diabetes management workshops offered through the State Health Plan Prevention Partners program have an impact on your employees' health? The answer is YES!

During the fall of 2002, the Budget and Control Board's Office of Research and Statistics, in a matched cohort study, compared a group of 196 State Health Plan (SHP) enrollees who attended a diabetes management workshop between 1995 and 1999 to a group of SHP enrollees who did not attend such workshops.

Both groups were matched according to gender, age, diabetic complications such as kidney, vision, nerve and circula-

tion problems and additional health problems including hypertension, high cholesterol, heart disease and cerebrovascular disease. Participants and their matched cohorts were compared with each other over a two-year period.

The costs of each group were compared in terms of average total medical payment per patient and average drug costs per patient.

During the two-year period, medical claims costs for participants in the Diabetes Chronic Disease Workshops averaged \$2,324 less, per enrollee, than the costs for non-participants. This indicates that better glucose control, increased knowl-

edge about the disease and enhanced self-management skills resulted in fewer emergency room visits, hospitalizations and serious complications.

Drug claims costs per participant averaged \$200 more compared to costs for non-participants. However, we believe this is a good indication of better patient compliance and a very important step in maintaining and controlling the risk of complications.

A healthy investment of time, resources and effort while learning more about their chronic illness will earn your employees a healthy return in quality of life and a decreased financial burden.

Claims reminders for mental health and substance abuse benefits



Subscribers who use the mental health and substance abuse benefits, administered by APS Healthcare, Inc. (APS), may want to note the following policies regarding the APS provider network:

- Subscribers should not file their own claims; APS participating providers are directly responsible for submitting claims to APS for their services.
- Except for deductibles and coinsurance, subscribers should not have to prepay when using an APS participating provider.
- Subscribers should not be *balanced billed* (charged more for the services than APS allows).
- Benefits will not be paid for services from a provider who is not in the network.

APS resources

- To locate a network provider, subscribers may log onto the APS Web site at www.apshealthcare.com. Follow the prompts to the online provider locator. Type *statesc* for the user logon access code when prompted.
- To locate a network provider by phone or for claims and customer service assistance, subscribers may call APS at 1-800-221-8699. They may also call this number for assistance if their provider seems unfamiliar with the policies above.

Notice to enrollees

Continued from page 1

able on the EIP Web site at www.eip.state.sc.us, or you may request a paper copy in early April from EIP Supply (Brad Smith) at 803-734-0607 (toll-free at 1-888-260-9430).

After reviewing the information, if you have any questions, please contact the South Carolina Budget and Control Board Privacy Officer at 803-737-0559.

if applicable, to FBMC at 850-425-4608. If they prefer, employees may still mail their claims to FBMC at P.O. Box 1800, Tallahassee, FL 32302-1800; however, preprinted MoneyPlu\$ envelopes are no longer available.

Tips for Orthodontia Services

Orthodontia must be medically necessary. Employees must submit a letter from the orthodontist, indicating medical necessity as well as a copy of the contract. If the orthodontia services are a continuation from a previous calendar year, employees do not need to resend a copy of the contract. Instead, they should simply write "CONTINUATION" across the top of the Reimbursement Request Form.

What constitutes an "incurred orthodontia expense" (in addition to the **General reminders** on page 2)? The initial service (placement/banding) must have been incurred; expenses are not reimbursable if only the initial consultation with an orthodontist has taken place. This is similar to purchasing eyeglasses, in that the expense is considered incurred when the eyeglasses are available for pickup. In addition, the expense must have been paid in one of the following ways:

- an initial down payment on the contract;
- the entire amount of the contract (paid up-front);
- a payment plan, spread out across more than one calendar year;
- a monthly payment coupon submitted at the first of each applicable month.

MoneyPlu\$ payroll/processing tips

Payrolls—Flexible spending accounts (FSAs) must be funded on a per-payroll basis. FBMC must receive the funds before it can post monies to the

participants' accounts. The following are required to process MoneyPlu\$ payrolls:

1. A payroll file and/or listing (identified by group number, payroll date, filename)*;
2. Check(s) for MoneyPlu\$ deductions;
3. A completed Deposit of MoneyPlu\$ Contributions Form (also known as the Deduction Control Form). Complete the entire form, including the payroll date—*not the paid through date* (very important)—and attach it to the check(s).

Please include your unique group number (also known as your entity number or agency number assigned by EIP) in any correspondence you send to FBMC. Using your group number will allow proper identification of your payroll data. To identify your unique group number, please visit the EIP Web site at www.eip.state.sc.us/eipdata/Entities/EntCategory.asp.

Once FBMC receives your entity's completed payroll as described above, it will be processed. FBMC will then process the submitted claims within five days.

**If using a diskette to send deductions, please include your group number, paydate, the FBMC-assigned filename and all pay deduction cycles on the file (12 pay, 24 pay, 26 pay, etc.) on the label. If sending a manual payroll, please include your group number, paydate and the FBMC-assigned filename.*

Refunds—FBMC does not process direct refunds to employees. All refunds are processed and paid through your office/payroll center. Any refunds should be reflected on the payroll file and/or listing as a negative amount so that FBMC may reconcile the account.

Adjustments—If your adjustments to MoneyPlu\$ deductions are produced as a separate file or report, please send a paper listing for these adjustments, identifying it clearly as an adjustment listing.

Contact MoneyPlu\$ immediately when an employee terminates

Do not complete or send MoneyPlu\$ a termination postcard when an employee terminates. Instead, you should notify FBMC immediately by FAX (850-425-6220) or phone (1-800-872-0345) and provide the employee's Social Security number, date of termination (last day on payroll), the employer name and entity number, your name and your phone number.

MoneyPlu\$ statements

In April, FBMC will be mailing statements for the first quarter of 2003 to participants who have not used their flexible spending accounts. FBMC issues these statements quarterly. The statements for the third quarter (quarter ending September 30) are sent to all participants, reminding them that the funds in their accounts must be used for expenses incurred through December 31.

All MoneyPlu\$ forms are available from EIP Supply and the EIP Web site at www.eip.state.sc.us/publications/forms/index.html

Do you have a question about MoneyPlu\$?

Call Fringe Benefits Management Company's (FBMC) Customer Service representatives

1-800-342-8017

FBMC Customer Service representatives are well trained in all areas and will be able to assist you promptly.



How many steps do you take each day? Take a few more—participate in *Walk South Carolina!*, April 11!

The 2003 Spring Wellness Walk, with a new name and new design—*Walk South Carolina!*, is just around the corner—Friday, April 11! If your organization cannot host your walk on that date, you or your Prevention Partners coordinator may schedule the event for another date of your choice.

Instructional packets, advertising posters and certificates for your participating employees are available. You may order *Walk South Carolina!* t-shirts for only \$7.35 each and pedometers for \$15.75 each (see “Pedometers help” below). Contact the State Health Plan’s Prevention Partners at 803-737-3820 (toll-free at 1-888-260-9430) for supplies.

Inactivity is a growing problem

Obesity is linked directly to diabetes and heart disease and has even been linked to many forms of cancer. In this country, obesity and chronic diseases related to it are increasing at an alarming rate. Even more alarming is the rate of increase among children, which has reached an epidemic proportion. All of this translates to increased spending on medical care—money out of your health plan and out of your pocket. (See also **New study** on Page 4)

Walking is a simple solution

By increasing your activity level, you can achieve and maintain a healthy weight more easily. Walking is an easy way to get started on a more physically active lifestyle. The U.S. Surgeon General recommends 10,000 steps each day (approximately five miles), but most Americans take only half that many.

Pedometers help

By incorporating more steps into their daily activities, people are often surprised how their steps add up. This is where pedometers come in handy. About the size of a pager, they clip to a belt or article of clothing around the waist and measure the number of steps taken. A spring-suspended arm moves up and down with each rotation of the hip. Pedometers:

- Take the guesswork out of calculating distance covered;
- Provide an accurate count of steps/distance throughout the day;
- Can be worn by adults and children alike;
- Serve as an incentive to incorporate more walking into the daily routine.

Pedometers come in a variety of models and prices. The State Health Plan’s Prevention Partners offers one at \$15.75 (price includes tax and shipping). Call for more information or to get an order form: 803-737-3820 (toll-free at 1-888-260-9430).



Walk South Carolina!

(This year’s t-shirt logo for the Spring Wellness Walk)



(Back of t-shirt with the logo. On the front of the t-shirt is a small, Employee Insurance Program logo)

Insight

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